

**ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION**

**Financial Statements**

**Year Ended December 31, 2021**

**ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION**

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Year Ended December 31, 2021**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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The financial statements of Athabasca University Graduate Students' Association have been prepared in accordance with Accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Athabasca University Graduate Students' Association 's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The financial statements have been audited on behalf of the members by JR & Company LLP, in accordance with Accounting standards for not-for-profit organizations.

  
\_\_\_\_\_  
Chris Edwards, VP Operations & Finance

  
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Meaghan Sullivan, Executive Director

Edmonton, Alberta  
April 13, 2022

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**INDEPENDENT AUDITOR'S REPORT**

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**To the Members of Athabasca University Graduate Students' Association**

We have audited the accompanying financial statements of Athabasca University Graduate Students' Association, which comprise the statement of financial position as at December 31, 2021 and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2021 and its financial performance and its cash flows for the year ended December 31, 2021 and in accordance with Canadian accounting standards for not-for-profit organizations.

**Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association's in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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**Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Associations or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


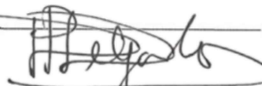
**ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION**

**Statement of Financial Position**

**December 31, 2021**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents <i>(Note 3)</i>	\$ 494,154	\$ 329,259
Accounts receivable	25,912	33,783
Short term deposits <i>(Note 4)</i>	104,348	104,075
Prepaid expenses	8,631	8,248
	<u>633,045</u>	475,365
<b>TANGIBLE CAPITAL ASSETS <i>(Note 5)</i></b>	<u>5,916</u>	1,517
	<u><b>\$ 638,961</b></u>	<u>\$ 476,882</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 18,491	\$ 9,003
Employee deductions payable	4,050	-
Deferred income <i>(Note 6)</i>	86,900	-
	<u>109,441</u>	9,003
<b>NET ASSETS</b>		
General fund	519,120	457,479
Graduate conference reserve fund	10,400	10,400
	<u>529,520</u>	467,879
	<u><b>\$ 638,961</b></u>	<u>\$ 476,882</u>

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

See notes to financial statements

**ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION**

**Statement of Operations  
Year Ended December 31, 2021**

	2021	2020
<b>REVENUES</b>		
Student union fees	\$ 439,650	\$ 420,057
Donations	3,100	-
Conference	3,675	-
	<b>446,425</b>	420,057
<b>EXPENSES</b>		
Salaries, wages, and benefits	216,553	225,126
Grants and awards	39,300	32,692
Council honorariums	34,600	43,650
Memberships	33,585	21,973
Professional fees	15,232	15,007
Office	13,966	15,046
Travel	12,898	12,063
Insurance	9,998	8,448
Telephone	5,295	4,770
Amortization of tangible capital assets	2,323	1,197
Consulting fees	1,197	6,720
Interest, bank charges, and transaction fees	180	728
Training and staff development	31	9,245
	<b>385,158</b>	396,665
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>61,267</b>	23,392
<b>INTEREST INCOME</b>	<b>374</b>	295
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 61,641</b>	\$ 23,687

See notes to financial statements

**ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2021**

	General Fund	Graduate Conference Reserve Fund	<b>2021</b>	2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 457,479	\$ 10,400	\$ <b>467,879</b>	\$ 444,192
EXCESS OF REVENUES OVER EXPENSES	61,641	-	<b>61,641</b>	23,687
<b>NET ASSETS - END OF YEAR</b>	\$ 519,120	\$ 10,400	\$ <b>529,520</b>	\$ 467,879

See notes to financial statements

**ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION**

**Statement of Cash Flow  
Year Ended December 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 61,641	\$ 23,687
Items not affecting cash:		
Amortization of tangible capital assets	2,323	1,197
Interest income on Term deposits	(374)	(295)
	<b>63,590</b>	<b>24,589</b>
Changes in non-cash working capital:		
Accounts receivable	7,871	(3,324)
Accounts payable	9,487	(456)
Deferred income	86,900	-
Prepaid expenses	(383)	(5,476)
Employee deductions payable	4,050	-
	<b>107,925</b>	<b>(9,256)</b>
Cash flow from operating activities	<b>171,515</b>	<b>15,333</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(6,721)	(252)
Investment in Term deposits	101	170
Cash flow used by investing activities	<b>(6,620)</b>	<b>(82)</b>
<b>INCREASE IN CASH FLOW</b>	<b>164,895</b>	<b>15,251</b>
Cash and cash equivalents - beginning of year	<b>329,259</b>	<b>314,008</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b> <i>(Note 3)</i>	<b>\$ 494,154</b>	<b>\$ 329,259</b>

See notes to financial statements

# ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2021

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### 1. DESCRIPTION OF BUSINESS

Athabasca University Graduate Students' Association (the "Association") is established under section 94 of the Post-Secondary Learning Act as a not-for-profit organization that fosters a cohesive graduate student community, acts as an advocate for graduate students, and builds a positive relationship with the University. The Association qualifies for the tax-exempt status under paragraph 149(1)(l) under the Income Tax Act of Canada.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board. The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses. Future events could alter such estimates in the near term. The Association's significant accounting policies are as follows:

#### Revenue recognition

The Association receives contributions from Athabasca University. The Association follows the deferral method of accounting for contributions. Contribution revenue from the University of Athabasca, interest income earned on the contribution and other revenue are recognized in the period in which the related expenditures are incurred.

Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other income is unrestricted and recognized in the period earned.

Endowment contributions are recognized as direct increases in net assets.

Funds received for projects with internal restrictions are recorded to deferred revenue and subsequently recorded to revenue when funds are expended.

#### Cash

Cash is defined as cash on hand and cash on deposit with a chartered financial institution, net of cheques issued and outstanding at the reporting date.

#### Short term deposits

Short term deposits are recorded at fair market value. Transactions costs are expenses as incurred.

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ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	50%	declining balance method
Furniture and fixtures	20%	declining balance method

The Association regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Contributed services

There is an insignificant amount of time by volunteers and donated materials contributed to the Association. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

**Measurement of Financial Instruments**

Financial instruments are financial assets or liabilities of the Association where, in general, the Association has the right to receive cash or another financial asset from another party or the Association has the obligation to pay another party cash or other financial assets.

The Association initially measures its financial assets and liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, accounts receivable, and prepaid expenses. The Association's financial assets measured at fair value are short term deposits.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

**Transactions costs**

Transaction costs and financing fees are expensed as incurred for financial instruments measured at fair value and capitalized for financial instruments that are subsequently measured at cost or amortized cost.

The Association recognizes its transaction costs in the statement of operations in the period incurred for its short term deposits and all other financial assets and liabilities subsequently measured at fair value. Financial instruments, that are subsequently measured at cost or amortized cost, are adjusted by the transaction costs and financing fees that are directly attributable to their origination, issuance or assumption.

**Impairment**

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in the statement of operations.

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3. CASH AND CASH EQUIVALENTS

	2021	2020
General chequing	\$ 375,481	\$ 278,988
Savings	50,372	50,272
Internally restricted funds	68,300	-
	<b>\$ 494,153</b>	<b>\$ 329,260</b>

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**ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION**

**Notes to Financial Statements**

**Year Ended December 31, 2021**

4. SHORT TERM DEPOSITS

The Association is equally invested in two term deposits earning interest at a rate of 0.2% per annum, maturing January 23, 2022 and February 9, 2022. The deposits are typically reinvested for a term of 100 days upon maturity.

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 12,906	\$ 7,299	\$ 5,607	\$ 1,131
Furniture and fixtures	598	289	309	386
	<u>\$ 13,504</u>	<u>\$ 7,588</u>	<u>\$ 5,916</u>	<u>\$ 1,517</u>

6. DEFERRED INCOME

All of the deferred contributions to the Association have been designated for a specific use. These amounts are recognized as revenue as related program expenses are incurred. The changes in deferred contributions balance are as follows:

	2021	2020
Contributions	\$ 90,000	\$ -
Amount recognized as revenue during year	(3,100)	-
	<u>\$ 86,900</u>	<u>\$ -</u>

7. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets are comprised of the following Funds:

**Graduate Conference Reserve Fund**

The graduate conference fund was established to ensure that adequate funds would be available to support dissemination/presentation opportunities that showcase the high quality of research being conducted by non-Alberta resident graduate students at Athabasca University.

8. ECONOMIC DEPENDENCE

The Association received \$439,650 (93%) of their revenue (2020 - \$417,798) from the University of Athabasca. Amounts recorded in accounts receivable are Nil% (2020 - 100%) comprised from University of Athabasca.

# ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2021

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### 9. FINANCIAL RISK MANAGEMENT

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant credit risks arising from its financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

#### **Credit risk**

The Association is exposed to credit risk with respect to its financial assets as reported on the statement of financial position. Credit risk is not considered significant because the Association's cash and cash equivalents are held in deposit with Canadian financial institutions in insured accounts. Accounts receivable are generally amounts receivable from Athabasca University with no history of default.

#### **Liquidity risk**

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or in meeting its obligations related to financial liabilities. It is the Association's opinion that there is no significant liquidity risk as of December 31, 2021.

#### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk and other price risk.

#### **Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to other price risk through its investment in term deposits.

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### 10. ORGANIZATIONAL RISK

On March 11, 2020, the World Health Organization characterized the COVID-19 outbreak as a pandemic. The impact of the outbreak on the financial results of the Association will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions.

These developments and the impact of COVID-19 on the overall economy are highly uncertain and cannot be predicted. If the overall economy is impacted for an extended period, the financial results of the Association may be materially adversely affected.

As of the reporting date, no adverse and measurable financial outcome has been noted and as such the financial statements are presented without an adjustment for any results of the pandemic.

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